

Our Reference: AEI-177-A

PATENT

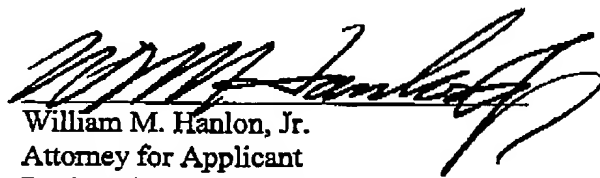
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**SEP 13 2006****IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant: Dhiren K. Marjadi et al.  
Serial Number: 09/855,317  
Filing Date: May 15, 2001  
Examiner/Art Unit: Evens J. Augustin/3621  
Title: DIGITAL CONTENT LICENSING METHOD  
INVOLVING APPLICATION SERVICE PROVIDER

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PROVIDER

**APPEAL BRIEF**

Commissioner for Patents  
PO Box 1450  
Alexandria, VA 22313-1450

Sir:

Please enter the following Appeal Brief in the appeal filed on July 14,  
2006.

**REAL PARTY IN INTEREST**

The real party in interest is Altair Engineering, Inc., by assignment  
from the inventors, Dhiren K. Marjadi, James R. Scapa, James E. Brancheau, and  
James P. Dagg.

**RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences in the present  
application.

**STATUS OF CLAIMS**

Claims 1-12 are pending in the application. Claims 1-12 stand  
rejected under 35 U.S.C. 103 as being unpatentable over Christiano (U.S. Patent No.  
5,671,412) in view of Conner et al (U.S. Patent No. 6,816,882). The language of the  
current claims on Appeal is attached hereto as Appendix A.

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### STATUS OF AMENDMENTS

No Amendment has been filed to the Final Office Action dated May 19, 2006. All other amendments in the present application have been entered.

### SUMMARY OF THE CLAIMED SUBJECT MATTER

The present invention claims a licensing method for use in a customer computer network (10, 12) having at least one node (14, 16, 18) capable of executing digital content from a digital content source on the customer computer network (10, 12) or executing digital content from a digital content source on an application service provider (15a, 15b, 15c). As recited in claim 1, the licensing method includes the steps of providing licensed units to a customer and providing independently selectable digital content. ¶¶[0014] & [0015]. A predetermined number of customer computer network assigned units are assigned to each independently selected digital content when the digital content is run on the customer computer network (10, 12). ¶¶[0016] & [0054]. A predetermined number of application service provider assigned units are assigned to each independently selected digital content when the digital content is run on the customer computer network (10, 12). ¶[0017]. A number of checked out units are charged to the customer computer network (10, 12) based on the digital content currently being run by the customer on the customer computer network (10, 12) and on the application service provider (15a, 15b, 15c). ¶[0018]. One of the customer computer network (10, 12) and the application service provider (15a, 15b, 15c) are selected through the customer computer network (10, 12) for execution of a selected digital content. ¶¶[0012] & [0057]-[0061]. The method also includes the step of determining a number of available units equal to the difference between the total licensed units to the customer computer network (10, 12) and the total checked out units charged to the customer computer network (10, 12) for digital content currently being executed on the customer computer network and on the application service provider (15a, 15b, 15c) for the customer. ¶[0019]. Whether a requested digital content is to be executed or denied execution on the selected one of the customer computer network (10, 12) and the application service provider (15a, 15b, 15c) is determined based on the difference between the available units on the customer computer network (10, 12) requesting execution of the digital content and the assigned units of the selected digital content on the selected customer computer network (10, 12) and the application service provider (15a, 15b, 15c). ¶[0020].

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GROUND OF REJECTION TO BE REVIEWED ON APPEAL

1. Claims 1-12 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Christiano (U.S. Patent No. 5,671,412) in view of Conner et al (U.S. Patent No. 6,816,882).

ARGUMENT

Issue 1: Rejection of Claims 1-12 Under 35 U.S.C. 103(a)

Claims 1-12 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Christiano in view of Conner. The Examiner states that Christiano discloses all elements of the claims, except that Christiano fails to explicitly describe a system that uses servers from an Application Service Provider (ASP) to host applications for the customer. The Examiner asserts that it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the user of Christiano with an option to execute requested digital content on a ASP's server and to provide pay per use licensing agreement based on applications shared among multiple enterprises with multiple users on a virtual hose as taught by Conner. However, it is submitted that the Examiner has not established a *prima facie* of obviousness to support a rejection of Applicants' invention based on a proposed combination of selected features of Christiano and Conners. It is respectfully submitted that the combination of Christiano and Conners do not teach or suggest all of the claimed features of Applicants' invention.

Claims 1-12 disclose a licensing method for use in a customer computer network having at least one node capable of executing digital content from a digital content source on the customer computer network or executing digital content from a digital content source on an application service provider. As recited in claim 1, the licensing method includes the steps of providing licensed units to a customer and providing independently selectable digital content. A predetermined number of customer computer network assigned units are assigned to each independently selected digital content when the digital content is run on the customer computer network. A number of checked out units are charged to the customer computer network based on the digital content currently being run by the customer on

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the customer computer network and on the application service provider. One of the customer computer network and the application service provider are selected through the customer computer network for execution of a selected digital content. The method also includes the step of determining a number of available units equal to the difference between the total licensed units to the customer computer network and the total checked out units charged to the customer computer network for digital content currently being executed on the customer computer network and on the application service provider for the customer. Whether a requested digital content is to be executed or denied execution on the selected one of the customer computer network and the application service provider is determined based on the difference between the available units on the customer computer network requesting execution of the digital content and the assigned units of the selected digital content on the selected customer computer network and the application service provider.

Christiano discloses a license server 16 for storing licenses for software programs available to the computer systems 12 and checks out the license units to client computer system 12 when the client requests a license. Col. 6, ll. 32-37. The license server 16 provides licenses from a license database to client computer system to allow the client computer system to use the licenses software products. Col. 4, ll. 12-14. The system uses a concurrent usage license policy wherein a number of program licenses are made available for each licensed program. The licenses are specified in "license units." A minimum quantity, indicating a minimum amount of license units required to be checked out to allow the designated program to be used by the client, is read from the license item. Col. 4, ll. 3-5 and col. 17, ll. 35-47. The minimum license units allow a software vendor to decrease the amount of available licenses for specific programs as desired. Col. 17, ll. 44-47. When a client on a customer computer network requests a program license, the license server determines if the minimum number of license units are available to be checked out by the client. If so, the client checks out the minimum license units and is assigned a license to the software. See claim 55. Therefore, Christiano teaches a licensing arrangement wherein a decision is made to execute or not execute a selected piece of digital content based solely on the available minimum license units for the piece of digital content.

The software license management system disclosed in Christiano is for use with a single customer computer network. The license management system does not disclose assigning a predetermined number of license units to the digital

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content when the digital content is run on a customer computer network and a second predetermined number of license units when the digital content run on an application service provider as recited in claim 1. Christiano is also devoid of charging a number of checked out units to the customer computer network base don the digital content being run by the customer on the customer computer network and on the application service provider as recited in claim 1.

Conners is relevant only for its disclosure of the execution of digital content on an application service provider (ASP). The user in Conners requests to host an application and negotiates an agreement with the application service provider to host the application. The user applies to run the application from the ASP based on the agreement and the application is downloaded to the client. Conners is devoid of assigning a predetermined number of assigned units to each digital content when run on the application service provider as recited in claim 1.

The licensing arrangement in Christiano is directed to the execution or non-execution of digital content based on activities only on the customer computer network. Conners is directed to the execution of digital content only on an Application Service Provider network. One having ordinary skill in the art would not be motivated to combine the teachings of the two references, resulting in a licensing arrangement for a combination customer computer network and application service provider network which enables the user to execute a selected piece of digital content on either the customer network or the ASP network, with a decision on whether the selected piece of digital content will be executed on the selected customer computer network or the ASP network being made based on a determination of the difference between the available units on the customer network requesting execution of the digital content which is equal to the difference between the total license units to the customer computer network and the total checked-out units charged to the customer computer network for digital content currently being executed by the customer computer network and by the Application Service Provider for the customer, and the assigned units as recited in claim 1. Therefore, although the references individually disclose the execution of programs on a customer computer network and the execution of programs on an application service provider, the references lack any teaching or suggestion of merging a customer computer network and an ASP network to allow selection of the customer network or the ASP network for execution of a piece of digital content based on customer activities with respect to currently executed digital content on both the customer network and the ASP network.

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The determination of whether or not a piece of digital content is to be executed by taking into account currently executed digital content on both the customer network and the ASP network can be found only in the Applicants' invention as recited in claims 1-12. Under MPEP §2145, hindsight reconstruction prohibits the use of Applicants' teachings as a basis for such a suggestion. Under MPEP § 2143.01, "obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention when there is some teaching, suggestion, or motivation to do so found, either explicitly or implicitly, in the references themselves or in the knowledge generally available to one of ordinary skill in the art." An implicit showing is what, as a whole, the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved would have suggested to those of ordinary skill in the art. See *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000). The references themselves fail to explicitly motivate combining the references to obtain the features of Applicants' invention. In addition, an implicit motivation to combine the references to obtain the claimed features is also lacking. Therefore, it is respectfully submitted that the combination of Christiano and Conners fail to teach or suggest these features of Applicants' invention.

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### CONCLUSION

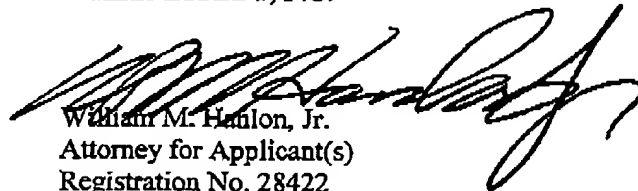
For the reasons set forth above, it is respectfully submitted that Appellant's invention as set forth in claims 1-12 patentably define over the cited references and is not suggested or rendered obvious thereby. As such, it is respectfully submitted that Examiner's final rejection of claims 1-12 is erroneously based and its reversal is respectfully requested.

No oral hearing is requested.

Appellant's attorney's check in the amount of \$250.00 is enclosed to cover the Appeal Brief filing fee. Please charge any deficiencies to Applicant's deposit account no. 25-0115.

Respectfully submitted,

YOUNG, BASILE, HANLON, MacFARLANE, WOOD  
& HELMHOLDT, P.C.



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**APPENDIX A: CLAIMS AT ISSUE IN APPEAL**

1. For use in a customer computer network having at least one node capable of executing digital content from a digital content source on the customer computer network or executing digital content from a digital content source on an application service provider, a licensing method comprising the steps of:
  - a. providing licensed units to a customer;
  - b. providing independently selectable digital content;
  - c. assigning a predetermined number of customer computer network assigned units to each independently selected digital content when the digital content is run on the customer computer network;
  - d. assigning a predetermined number of application service provider assigned units to each independently selected digital content when the digital content is run on the application service provider;
  - e. charging a number of checked out units to the customer computer network based on the digital content currently being run by the customer on the customer computer network and on the application service provider;
  - f. selecting through the customer computer network one of the customer computer network and the application service provider for execution of a selected digital content;
  - g. determining a number of available units equal to the difference between the total licensed units to the customer computer network and the total checked out units charged to the customer computer network for digital content currently being executed on the customer computer network and on the application service provider for the customer; and
  - h. determining whether a requested digital content is to be executed or denied execution on the selected one of the customer computer network and the application service provider based on the difference between the available units on the customer computer network requesting execution of the digital content and the assigned units of the selected digital content on the selected customer

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computer network and the application service provider.

2. The method of claim 1 further comprising the steps of:  
when the available units on the customer computer network requesting execution of a digital content are greater than or equal to an application service provider required units of the digital content requested by the customer computer network, determining when the application service provider required units of the requested digital content to be executed on the application service provider are to be charged to the available units.

3. The method of claim 1 wherein the application service provider assigned units of at least one of the digital content run on the application service provider differ from the customer computer network assigned units of the identical digital content run on the customer computer network.

4. The method of claim 1 further comprising the steps of:  
upon termination of a run of digital content on the application service provider, calculating and adding the application service provider returned units of the terminated digital content to the available units on the customer computer network.

5. The method of claim 1 further comprising the steps of:  
requesting execution of one digital content on the application service provider; and  
determining if the application service provider can immediately execute the requested digital content.

6. The method of claim 5 further comprising the steps of:  
if the application service provider cannot immediately execute the requested product, pre-charging the application service provider assigned units of the requested digital content to the requesting customer computer network; and

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queuing the requested digital content for subsequent execution on the application service provider.

7. The method of claim 1 further comprising the step of:  
determining whether to charge the application service provider required units at one of the time of the request of execution of the digital content and at the time of execution of the requested digital content on the application service provider.

8. The method of claim 7 further comprising the step of:  
when the application service provider required units are to be charged at the time of the request, and the available units are greater than or equal to the application service provider required units of the requested digital content, locking the application service provider required units and charging the application service provider required units to the available units at the requesting customer.

9. The method of claim 8 further comprising the step of:  
determining if the application service provider is able to immediately execute the requested digital content.

10. The method of claim 9 wherein:  
if the application service provider is not able to immediately execute the requested digital content, waiting for a change in the status of the available units.

11. The method of claim 9 wherein:  
when the application service provider is able to immediately execute the requested digital content; and if the available units are greater than the application service provider required units of the requested digital content and the application service provider required units of the requested digital content have been locked, executing the requested digital content.

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12. The method of claim 7 wherein if the application service provider required units are to be charged to the available units at the time of execution of the requested digital content, further comprising the step of:

at the time of execution, checking if the available units are greater than or equal to the application service provider required units and, if yes, setting the available units equal to the prior available units minus the application service provider required units and, if no, leaving the available units unchanged.

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**APPENDIX B: Evidence**

NONE

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**APPENDIX C: Related Proceedings**

NONE

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